

## Message Text

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ACTION NEA-10

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05

CIEP-01 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 IGA-02

CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03

LAB-04 SIL-01 DODE-00 PA-01 PRS-01 AGRE-00 L-03 H-01

OES-06 /093 W

-----141525Z 033847 /41

R 141320Z FEB 77

FM AMEMBASSY CAIRO

TO SECSTATE WASHDC 1705

INFO AMEMBASSY ABU DHABI

AMEMBASSY DOHA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

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EO 11652: NA

TAGS: EFIN, EG

SUBJ: GOE MINISTER'S STATEMENTS ON SUBSIDIES

1. MINTRADE AND SUPPLY ZAKARIA TEWFIK, IN STATEMENT TO PRESS 13 FEB, IS REPORTED TO HAVE ANNOUNCED THAT GOE'S SUBSIDY FOR BASIC GOODS THIS YEAR WILL TOTAL LE 347 MILLION, INCLUDING LE 229 MILLION FOR WHEAT, LE 45 MILLION FOR FLOUR, LE 11 MILLION FOR BEANS, LE 24 MILLION FOR MAIZE AND LE 23 MILLION FOR EDIBLE OILS. HE NOTED THAT GOVT'S POLICY IS DESIGNED TO SUPPLY ESSENTIAL COMMODITIES TO LOWER INCOME GGROUPTS, THUS RAISING LIVING STANDARDS OF THOSE HOUSEHOLDS. MINTEWFIK CITED EXAMPLE OF TEA-RATIONING SYSTEM, WHICH ALONE WILL COST GOE LE 742,000 IN 1977, AS ONE ELEMENT OF MINTRADE AND SUPPLY EFFORT TO ASSURE ADEUATE DISTRIBUTION ALONG WITH RIGOROUS ENFORCEMENT OF FIXED PRICES.

2. COMMENT: TEWFIK'S ANNOUNCEMENT OF BASIC SUBSIDY TOTAL  
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IS INTERESTING INDICATION OF CURRENT GOE THINKING ON AMOUNT TO BE SET ASIDE FOR THAT HIGHLY-SENSITIVE BUDGETARY PURPOSE, ALTHOUGH FINAL REVISED 1977 BUDGET FIGURES ARE YET TO BE SUBMITTED TO PEOPLE ASSEMBLY. SUBSIDY EXCEEDED LE500 MILLION IN 1975, AND DEPPRIMIN KAISOUNI'S ILL-FATED PROPOSED SUM FOR SUBSIDIES IN JAN BUDGET SUBMISSION WAS LE 276 MILLION. SUM FLOATED BY TEWFIK THEREFORE MAY BE ATTEMPT AT POLITICALLY-

POSSIBLE COMPROMISE WHICH WILL ALSO MEET IMF DEMANDS. LOWER  
COMPROMISE FIGURE ALMOST CERTAINLY REFLECTS LOWER WORLD  
PRICES FOR IMPORTS, MOST IMPORTANTLY FOR WHEAT, AND THUS  
DOES NOT REPRESENT REDUCTION IN CONSUMER SUBSIDIES BY FULL  
AMOUNT OF DECREASE.  
EILTS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** SUBSIDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 14-Feb-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977CAIRO02667  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770052-0048  
**Format:** TEL  
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**Handling Restrictions:** n/a  
**Image Path:**  
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**Line Count:** 68  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
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**Message ID:** 78006ec7-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 24-Jan-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 3331583  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** GOE MINISTER'S STATEMENTS ON SUBSIDIES  
**TAGS:** EFIN, EG, (TEWFIK, ZAKARIA)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/78006ec7-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009